Response to Productivity Commission Draft Report: Caring for Older Australians: January 2011

Submitted by:

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Overview

Formed in 1894, RDNS SA is a not for profit, non government provider of community-based health and care services. RDNS SA has an operating budget of $50m and more than 25 contracts with all levels of government and corporate clients. RDNS SA provides private and public community nursing, health and domestic care services to more than 25,000 people per annum. RDNS SA expanded into Southern Queensland in 2010 and is trading as YourLife. More than 70% of RDNS SA/YourLife clients are aged over 65 years with 47% aged over 80 years.

The reform of the aged care sector has direct implication for RDNS SA/YourLife clients and to the future operations of this organisation.

This submission is presented in two sections. The first provides our broad understandings of the reform being proposed. The second section is commentary on the specific issues and unintended consequences of the reform.

1. The overview of the reform proposals

1.1 Overarching reform intention

The Productivity Commission report emphasises universal entitlement, based on assessed need, as the fundamental principles for the reformed aged care system. The focus is on enhancing the wellbeing of older Australians by promoting independence, connectedness and choice. The report also recognises the need for service delivery and workforce to be sustainable.

The principles underlying the report are positive and address established deficits in the current system. The report clearly articulates the limitations of the current system that has evolved incrementally with limited attention to a coherent and comprehensive national policy framework. The draft report presents a coherent policy agenda and framework and a timeframe for the transition.

1.2 Service reform

The intention of the reform is to simplify entry to the system and access to appropriate, timely services with a single gateway, extend choice of service options by reducing capped services and stimulating growth in service provision options. The reform agenda maintains an emphasis on home based services recognising the preferences of older people and the advantages of their connection to local community and social networks. However the proposed reforms allows for greater choice with these services and in residential options.

Rehabilitation or restorative service goals are emphasised with greater emphasis on access to services on a needs basis. Significant change in the service system is predicated on service users being able to move in and out of the care system without penalty.

Significant attention is given in the reform proposal to service arrangements that address cultural diversity and Indigenous Australians.

1.3 Providers of care: informal and formal workforce

Support for informal care provision is recognised as critical to the sector. However it is also recognised that there will be a decline in availability of this form of care coinciding with the increasing demand for aged care in the future. In addressing assessment in this sector emphasis is placed on assessing the capacity of informal carers to provide ongoing support. To maintain the level of informal care the importance of carers' allowances and support services is reaffirmed. It is proposed to coordinate such support through a network of carer support centres.

The report also addresses the increasing demand for a skilled and productive workforce. Workforce remuneration is identified as a retention and quality issue that must be addressed. The funding revision proposals and the generation of increased investment potential in aged care are identified as strategies to potentially strengthen career interest and workforce development. Strengthening workforce capacity is linked to training, standards and inter-sectorial partnerships in care.

1.4 Funding

The reform agenda strongly emphasises consumer contribution to the real costs of care and residential support. Equity release and the protection of pension entitlement where homes are sold to meet care costs are proposed to address some of the service costs. Investment incentives are built into proposals to relax supply-side constraints and enable service users to select the level and quality of care they prefer. An insurance option for aged care is tabled but no specific position is taken on this funding option.

1.5 Regulation

Reform of regulatory practices is a cornerstone of the reform agenda. Current multiple and complex levels of regulation in the aged care sector are identified as burdensome, expensive and counterproductive. The establishment of the Australian Aged Care Regulatory Commission (ACCRA) is designed to rationalise the multiple levels of regulation in place at present and to separate the administration of the sector from regulation. The functions of the proposed ACCRA incorporate compliance and enforcement, pricing, information management and education and the full range of complaint and review processes.

1.6 Implementation

A specific five year timeframe is detailed and a specifically constructed Aged Care Implementation Taskforce is proposed. Transition arrangements allow for a 'grand-parenting' arrangement for current service users while new initiatives are detailed and sequentially introduced.

2. Commentary on specific issues and unintended consequences

RDNS SA/YourLife concurs that caring for older Australians must be a priority. We agree that a sustainable aged care system is needed to meet the needs of an ageing population, including people living in disadvantaged communities and rural and remote areas.

This commentary addresses key areas from a community service provider perspective. Key initiatives are identified as posing new challenges and /or unintended consequences for service providers and consumers.

2.1 Service and sector funding

Reducing the cap on care packages in the community and residential bed licenses to allow for demand based supply and regional responsiveness. The differential between high and low care is proposed to encourage investment, particularly for higher level care and more diversity. Setting pricing to reflect the real cost of care, particularly high level care. The funding regime would apply across community and residential care. There would no longer be packages of care. The Gateway assessment would determine individual need and use a "building block" approach to deliver required services. The building block approach would include a basic funding level and a range of supplement services.

Critical issues for service providers:

- Transparency of pricing formulation
- Education of service users to minimise the pressure (even some hostility) for service providers as new funding policies are introduced
- Processes for cost /fee collection
- Strategy to maintain funding flow as more flexible entry/ re-entry arrangements will lead to constant variability in units of care being provided at any point in time.
- Community care is mentioned in the discussion, but only briefly, and without any clear recommendation. It is therefore assumed that all community care services are covered in care funding.

2.2 Self-funding

Significant emphasis is placed on co-contribution, assessed on the basis of wealth not income. A threshold will be set and a simpler test based on the age pension would be used for co-contribution. In relation to residential care accommodation bonds, periodic payments or a combination of these are proposed to increase real level of co-contribution. Provision has been made for a lifetime stop-limit to ensure consumers and families are not exposed to excessive costs of care.

Critical issues for service providers:

- Speed of assessment for co-contribution will be an issue for service providers and service users.

- Management of serial and differential re-entry as consumers are encouraged to move in and out of the system and to select preferred providers on a needs basis rather than gaining client 'standing with a particular organisation/ service provider'
- Achieving market competition, service collaborative alliances across metropolitan, regional and rural locations to provide choice.
- Client avoidance or delayed use of services in an effort to save resources for their own priorities (e.g. leaving an inheritance, gifting).

2.3 The single gateway

The proposed Australian Seniors Gateway Agency (ASGA) would have two main information functions; 1. broad community education on healthy ageing and services and, 2. specific information on services for individuals. An initial assessment would be completed by the individual, with support from their carer or a health professional, or gateway staff if needed. The capacity of informal carers and their support needs would be part of the assessment. Where needs are basic the assessment would enable the individual to approach the service providers of their choice to provide them with the assessed service. Where a person has more complex needs the Gateway would engage a specialist team to undertake a more comprehensive assessment, using a standardised suite of tools (including culturally appropriate ones) to identify the services required, including case management.

The individual would also need to submit information on their assets for assessment by Centrelink as to the co-contribution they would need to make to the cost of their care. This would not be necessary if the level of assessed need was low. The report recommends that once the assessment has occurred clients would approach services and pay their client contribution directly and sign over their Government funding to the provider/s of their choice.

Critical issues for service providers:

- Adequate resources to establish a new organisation structure
- Management of the transition to a new gateway
- Identification of regional/local points of contact as evidence suggests that mixed channelling is needed to ensure access that reflect preferences and technical competence/confidence of different cohorts and special need populations
- Identification of consumers with complex needs who will need coordinated care
- Identifying organisational base for coordination services
- Establishing service models and a funding formula for the coordination of services (different demands from the usual service provision arrangements as the task is in and of itself specialised work that usually takes the service planning beyond the single organisation)
- Identifying key services for advocacy as currently there are significant differences in advocacy and complaint structures between states
- Clarifying whether it is the intention to include veteran aged care services in the new single gateway

2.4 Carer support

Critical issues for service providers:

- Identifying service base as the National Carelink and Respite Services have not been implemented systematically at a national (most strongly developed in eastern states and not providing total cover)
- Recognising cultural needs in carer support
- Training for carers as it cannot be assumed that' being a family member' ensures skill in the caring role nor the emotional and physical capacity to maintain care
- Ensuring informal carers are recognised as members of the service system in terms of participation in planning and review

2.5 Links with primary health care reform initiatives

Critical issues for service providers:

- Strategies to build service development in aged care in a collaborative/partnership model with Medicare locals and Super GP clinics to ensure multidisciplinary teams that support aged care residential facilities
- New collaborations/partnerships with residential aged care providers will be needed to address the service delivery imperative to strengthen palliative, in service and end of life care in these facilities (minimising demand on acute health)
- Management of potential market restriction to health and community care providers operating without their own residential facilities

2.6 Extended service provision

Critical issues for service providers:

- Development of volunteer capacity in aged care
- Scheduled prices for aged care to reflect cost of maintaining volunteers as part of the aged care workforce
- Carers as part of the strategy to extend services
- More comprehensive range of services to maintain 'ageing in place' (garden, home maintenance, home safety in particular as they are not a given resource for older Australians)
- Contributing/ investing to the establishment of 'Age friendly' housing beyond retirement villages

2.7 Development of workforce

Critical issues for service providers:

- Strengthening education of professionals in aged care across disciplines of medicine, nursing, allied health and social work
- Building a career pathway that opens up opportunities for carers and volunteers
- Building a career pathway for support workers
- Addressing ongoing development of existing professional staff

- Maintain quality assurance and performance management processes for staff and volunteers

2.8 Risks

RDNS SA/YourLife is an established health and community service provider in SA and Queensland but it does not have investment in residential care or age friendly housing initiatives. The proposed reform agenda implies seamless service arrangements from aged care service entry to end of life support and this may well necessitate ease of access from community to residential facility.

RDNS SA/YourLife is a multi-disciplinary organisation, and this reform agenda is predicated on multi-disciplinary resources that suggest potential critical partnerships with specialist private providers, the significance of partnerships through Medicare locals and GP Super Clinics. RDNS SA/YourLife has market leadership as a health and wellness service provider but may need to build the rehabilitation profile for the aged care reform agenda.

RDNS SA/YourLife as a Registered Training Organisation (RTO) has a significant market share of Diploma of Nursing training and Care Worker education but is open to competition in the aspect of its enterprise and may need to consider extending breadth of that training either in its own right or in partnership with specialist providers (e.g. in relation to volunteers, carer training, cultural competence, care or service coordination).

2.9 Opportunities

RDNS SA/YourLife perceives opportunity to:

- Extend the training capacity of the organisation including 'online or distance education' thereby opening up a stronger national training profile: potential areas for development include service coordination as a specialist practice; culturally sensitive service delivery; volunteering in aged care and training of carers.
- Maintaining aged care as a core aspect of a RDNS SA/YourLife as this demographic is growing and all indicators are for increased service demand.
- Extend capacity for culturally appropriate service delivery through partnership with specialist agencies.
- Incorporate these aged care reform agendas into partnership negotiations with Medicare Locals and service relationships with GP Super Clinics.
- Extend RDNS's capacity in specialist coordination services and transition planning from acute health care.
- Promote RDNS's research capacity of RDNS as a provider to ACCRA.
- Build specialist service and training capacity in the areas of disability and mental health.